

UNITED STATES GOVERNMENT

Memorandum

~~CONFIDENTIAL~~

TO : Director of Training

DATE: 21 November 1961

FROM : Chief, Management Training Faculty

SUBJECT: A. T. & T. Executive Development Program

1. The attached material is by no means self-explanatory. The major unknown is the nature of the relationship between the A. T. & T. corporate superstructure and the various levels of organization of the subsidiaries (if they are that).

2. However, four points seem to stand out:

- a. The A. T. & T. plan implies a degree of centralized personnel control which the CIA does not have now.
- b. The Plan seems to be aimed at the problem of a shortage rather than a surplus of management personnel.
- c. The interchangeability of management manpower in A. T. & T. is almost certainly greater than in the CIA due to the fact that the former's work is "more of a piece."
- d. A. T. & T.'s "college recruitment" program is presumably similar to CIA's JOT program. There is not enough data in the attached material to make any meaningful comparison.

3. Centralized Personnel Control

If the attached program operates as the chart specifies, A. T. & T. top management presumably can, and does, exercise decisive centralized control over the promotion and assignment of employees with a "high potential" both at the corporate and the subsidiary levels. Once a man has risen within the decentralized operational organization to the point where he becomes visible to the upper management (which apparently includes all six levels of management delineated on the chart), his subsequent training, development, promotion and assignment are progressively taken out of local hands and placed in those of top management. Corollary to this, it must follow that the decentralized components accept at least a dent in their autonomy by being forced to accept the decisions of higher authority in the placement of promising executives.

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Translated into Agency terms, a similar management development program would seem to require that inter-Directorate, inter-Office, and inter-Divisional transfers or placements would be made by some equivalent of A. T. & T.'s "General Personnel Relations Department" (at the DCI level) with the active participation of the "State General Manager's" office --- the latter presumably equivalent to staff functions within the DD/I, DD/P, and DD/S.

Without pushing this point too far, it seems obvious that the A. T. & T. plan assumes a management philosophy of centralized personnel control and decentralized operation that is not easily applicable, given the CIA's management history and habits. To put any such plan into effect in the Agency would require fundamental changes in our manner of operation, as well as changes in the formal organization. The fact that the DD/P, DD/S and DD/I have skill requirements which in some cases are unique to the Directorate concerned further complicates the problem.

4. Shortage vs. Surplus of Management Personnel

A. T. & T. is, and has been, a growth corporation. One could assume safely that the Plan would be directed toward recruiting and identifying managerial skills even if it did not specifically say so. But it does say so. In fact, we gain the impression from the attached chart that A. T. & T. officials are continuously combing the records of their "college recruits" and other personnel to find managers for their 10-15 year projection of line and staff needs.

Perhaps the CIA should be doing likewise, but as far as we know, our current problems of budget cut and surplus personnel make the A. T. & T. "shortage" perspective difficult to assimilate.

5. In Conclusion

However directly applicable or inapplicable the A. T. & T. plan might be to the CIA today, there are a number of organizational lessons we can learn from it. Among these are (1) the heavy emphasis on early identification of "high potential" personnel; (2) the provision at both subsidiary and corporate levels for "on-the-job coaching, planned job rotation, special assignments, formal management courses; in fact every form of training; (3) the clear responsibility of every level of management to take action following the identification of "high potential" personnel, not just for the unit concerned, but for the over-all organization.

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